loan amount not utilised during a particular financial year does not normally lapse and would be carried forward for utilisation in the subsequent years. So long as this is within the overall project cycle or in the extended project cycle. Government have taken number of steps to monitor and improve utilisation of external assistance. These steps include passing on of 100% Additional Central Assistance to States, release of 25% as Advance Central Assistance, Standardisation of Bidding Documents, delegation of power to the Administrative Ministries, establishment of Project Monitoring Unit at the Ministry of Finance as also the states appointment of Nodal officers to look after different Sectors and States, etc. To substantially reduce unemployment our 8th Plan emphasises the need for a high rate of economic growth combined with faster growth of sectors, subsectors and areas having relatively high employment postential for enhancing the pace of employment generation.

Financial assistance to Indira Gandhi National Flying Academy

173. SHRI JAGANNATH SINGH: Will the Minister of CIVIL AVIATION AND TOURISM be pleased to state:

(a) whether financial assistance is provided by Central Government to Indira Gandhi National Flying Academy, Raibareilly (U.P.); and

(b) if so, what are the details thereof?

THE MINISTER OF CIVIL AVIATIOIN AND TOURISM (SHRI GHULAM NABI AZAD): (a) Yes, Sir.

(b) Rs. 289.32 lakhs, Rs. 875.00 lakhs and Rs. 100.00 lakhs were released during the years 1985-86, 1986-87 and 1988-89 respectively as grants towards capital expenditure. Rs. 7.41 lakhs, Rs. 10.60 lakhs, Rs. 100.00 lakhs and 25.00 lakhs were released during the years 1985-86, 1986-87, 1994-95 and 1995-96 (till July, 1995) respectively as grants towards revenue expenditure.

Koel Karo Power Project

174. SHRI S.S. AHLUWALIA: Will the Minister of POWER be pleased to state:

(a) whether Government are aware that NHPC has not been able to commence work on 710 MW Koel Karo Power Project in Bihar due to paucity of funds and local resistance;

(b) if so, what are the details of local resistance to this project;

(c) the steps Government propose to take to provide adequate funds to NHPC to commence the work on the projects and remove the fear of local population in respect of that project;

(d) whether there is any possibility of the project being completed during the Eighth Plan period; and

(e) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRIMATI URMILA CHIMANBHAI PATEL): (a) and (b) In 1984, some local people had filed a writ petition in the Supreme Court seeking to restrain the concerned authorities from taking possession of land for the Koel Karo project till full compensation was paid and rehabilitation measures decided. The matter was disposed of by the Hon'ble Court in Feb., 1989 with directions in regard to payment of compensation and implementation of rehabilitation plan. Though the project authorities and the State Government are prepared to implement the rehabilitation package as per commitment given to the Supreme Court, local opposition in the form of public meetings, processions and exhortations by various political and social groups, denouncing the project, is reported to have been revived recently. The project is currently estimated to cost Rs. 2,400 crores.

(c) NHPC will have to explore the possibility of raising resources largely by way of market borrowings and/or

external financing to implement the project. Simultaneously, steps will have to be taken to create widespread awareness in regard to the adequacy of the rehabilitation package being made available.

(d) and (e) The implementation of the project would require eight years from the date of active start. As the implementation has not been actively commenced so far, its completion during the Eighth Plan is not possible.

Discussion on Malhotra Committee Report

175. SHRIMATI BASANTI SARMA:
DR. SHRIKANT RAMCHANDRA JICHKAR:

Will the Minister of FINANCE be pleased to state:

(a) whether the Malhotra Committee on Insurance Report was discussing with Chief Executives of the Insurance Industry unions/associations of LIC/GIC and its subsidiaries and consumer interest groups;

(b) what is in brief, categorywise, the opinion of each of the above categories; and

(c) what has Government decided to do on this?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKARA MURTHY): (a) to (c) The Malhotra Committee on Reforms in the Insurance Sector submitted its report to the Government on the 7th January, 1994 recommending various reforms required in the insurance sector. Their recommendations have been discussed with the managements and the unions of the insurance industry; consumer interest groups; Chambers of Commerce and Industry; and academics. These recommendations were also discussed in the Consultative Committee of the Ministry of Finance. Broadly, in the discussions, the unions did not support the recommendations relating to private sector entry into the insurance industry, disinvestment by the Government in the existing insurance entities, and their restructuring. The Management of the insurance companies wanted to have a transition period of prepare for competition. The consumer interest groups, Chambers of Commerce and Industry and academics generally supported the Malhotra Committee recommendations. The suggestions made in these discussions will be kept in view by the Goverament while taking a final decision on the recommendations made by the Malhotra Committee.

Strike threat by Indian Commercial Pilots Association

176. SHRI V. NARAYANASAMY: Will the Minister of CIVIL AVIATION AND TOURISM be pleased to state:

(a) whether Air India is willing to negotiate with the Indian Commercial Pilots' Association of IAC if they withdraw the strike threat given by them;

(b) if so, the reaction of the Government thereon; and

(c) the steps taken by Government to resolve their strike threat keeping in mind the inconveniences caused to the travelling public?

THE MINISTER OF CIVIL AVIATION AND TOURISM (SHRI GHULAM NABI AZAD): (a) and (b) Air India does not deal with Indian Commercial Pilots' Association (ICPA) of Indian Airlines.

(c) Following discussions with the Indian Airlines Management and the Chief Labour Commissioner, the ICPA has agreed to keep in abeyance the directives issued by them to the Pilots. To deal with the strike threat, Indian Airlines Management has drawn up a contingency plan to operate as many services as possible.